



## **JOINT STATEMENT BY**

### **The NC Academy of Family Physicians and The NC Pediatric Society**

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Good morning Chairman Burr and members of the Joint Legislative Oversight Committee. On behalf of the nearly 6,000 combined members of the NC Pediatric Society and the NC Academy of Family Physicians, I am Elizabeth Hudgins, Executive Director of the NC Pediatric Society. Our two organizations represent the bulk of primary care physicians in North Carolina and the physician backbone of the state's Medicaid system. Dr. Robert Gwyther is also here today, a past president of the NC Academy of Family Physicians.

Thank you for evaluating our Medicaid program to determine what is best for our children and families. As the reform process goes forward, we believe it is essential to make a correct diagnosis of North Carolina's Medicaid system, and not just treat symptoms. Our doctors can tell you first-hand that while there are aspects of our system that may be improved, there are many care delivery functions within Medicaid that are healthy and working well. Reform can build on what is working and leverage the investments we have already made.

#### **1) Reforms should build on the success of medical homes and provider-led initiatives.**

A first step in reform is sustaining the proven medical-home networks of Community Care of NC that we have worked hard to build. Second, reform must ensure competition at the provider-level by taking into account the role of independent practices and ensuring their viability into the future.

#### **2) Evaluation metrics should reflect the importance of prevention and the gains we have made.**

Through medical homes, pediatricians and family physicians have already squeezed significant savings from the health care system while improving health. Community Care of NC has documented these savings.

#### **3) Keep DMA part of DHHS**

We appreciate the steps being taken within the Department to improve the organization of the Medicaid program and its financial controls. We believe that Medicaid should remain within the



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Department because of the key connections to the Divisions of Public Health, Mental Health, Social Services and other state facilities to coordinate whole-person care. That is best accomplished by continuing to improve the internal operations of the Department.

### **4) Reforms should make the system easier for patients, families and doctors to use – not increase barriers like paperwork.**

We need our state's family physicians and pediatricians concentrating on providing care for patients, not straining to jump administrative hurdles. Not only is this important for doctors, it is important to families to have as many providers as possible able to participate.

### **5) Reforms should be North Carolina-focused and North Carolina-based.**

Let's retain and invest our health care dollars in North Carolina, giving care that patients need, not paying for administrative overhead funneled to out-of-state companies.

As frontline providers of primary care, our state's family physicians and pediatricians want to assist and work with the General Assembly and the Administration. You can enact reform that builds on medical homes, fixes things that are broken, and brings constructive change for families, health care providers, legislators, administrators and taxpayers.

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October 17, 2014

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Medicaid Reform/DMA Reorganization Subcommittee  
North Carolina General Assembly  
Raleigh, NC 27601

Mr. Chairman and Members:

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As President of the NC Pediatric Society and representing our 2,000 members, I urge you to pay close attention to the impact on services and access to services for children and youth as you work to reform Medicaid.

Pediatricians across North Carolina recognize the need to reform our state's Medicaid system to improve outcomes for children and to control costs. It is critical that any reforms offer North Carolina based solutions to the unique challenges that are presented by serving children and adolescents, especially those who have special needs.

The NC Pediatric Society urges you to consider the following:

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- **Reform can improve and promote the health and well being of children and youth with special needs.**

Children and youth with special health care needs have or are at risk for a chronic physical, development, behavioral, or emotional condition. They may require health and related services of a type or amount beyond that required by children generally. The medical home should be a trusted resource for families to have access to care and coordinated services.

- **Metrics and outcomes for pediatric care should accurately reflect the conditions of the population and the success of pediatric medical homes.**

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Successful reform must also be built on accurate budgeting and forecasting. We appreciate the steps that are already being taken within the Department of Health and Human Services to improve the organization of the Medicaid program and its financial controls.

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- **Reforms should make the system easier for patients, families and doctors to use – not increase bureaucratic or access barriers.**

The administrative complexity of our healthcare system must be decreased. We need our state's family physicians and pediatricians concentrating on providing care for their patients.

Not only is this important for doctors, it is important to families to have as many providers as possible able to participate. In many rural areas of North Carolina, such as Washington where I practice, specialized services, particularly for children and youth with special needs, are often unavailable due to a lack of providers. This problem can be traced largely back to insufficient reimbursement rates for providers, who, in impoverished rural areas, rely on Medicaid recipients as the majority of their clients. To improve provider availability and outcomes for children, Medicaid reform should include increased provider reimbursement rates or other incentives for rural Medicaid providers.

- **Reforms should be North Carolina-focused and North Carolina-based.**

It is essential to keep scarce health care dollars in North Carolina to provide the care our patients need through provider-led organizations. North Carolina should not pay for additional administrative overhead to multiple out-of-state managed care companies.

Thank you for addressing these important issues for our state. As pediatricians, we recognize the complexity of your work and appreciate your efforts to craft reforms that work for children, their families and their health care providers.

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Second, reform should ensure competition at the provider-level by taking into account the important role of independent practices and insuring their viability into the future. Independent practices are especially critical for the care of the Medicaid population.

- **Reform can improve and promote the health and well being of children and youth with special needs.**

Children and youth with special health care needs have or are at risk for a chronic physical, development, behavioral, or emotional condition. They may require health and related services of a type or amount beyond that required by children generally. The medical home should be a trusted resource for families to have access to care and coordinated services.

- **Metrics and outcomes for pediatric care should accurately reflect the conditions of the population and the success of pediatric medical homes.**

Through the use of medical homes, beginning with prenatal care through early childhood, pediatricians have already produced great savings from the health care system while improving child health. However, the potential for immediate cost savings within the pediatric population is limited. The majority of savings from pediatric care occur later in life as a result of avoided and better managed chronic conditions, such as diabetes, obesity, and heart disease and are also reflected in other parts of the budget (education, juvenile justice, and other divisions of DHHS), and these savings are substantial. Success by pediatric providers should be measured by the use of preventive care and the management of chronic conditions, not just by immediate cost-savings.

Successful reform must also be built on accurate budgeting and forecasting. We appreciate the steps that are already being taken within the Department of Health and Human Services to improve the organization of the Medicaid program and its financial controls.

We also believe that Medicaid should remain within the Department of Health and Human Services. Medicaid works closely with Public Health, Mental Health, Social Services and state facilities to coordinate whole-person care, and that is best accomplished by continuing to improve the internal operations of the Department rather than creating a new bureaucracy.

- **Reforms should make the system easier for patients, families and doctors to use – not increase bureaucratic or access barriers.**

The administrative complexity of our healthcare system must be decreased. We need our state's family physicians and pediatricians concentrating on providing care for their patients.

Not only is this important for doctors, it is important to families to have as many providers as possible able to participate. In many rural areas of North Carolina, such as Washington where I practice, specialized services, particularly for children and youth with special needs, are often unavailable due to a lack of providers. This problem can be traced largely back to insufficient reimbursement rates for providers, who, in impoverished rural areas, rely on Medicaid recipients as the majority of their clients. To improve provider availability and outcomes for children, Medicaid reform should include increased provider reimbursement rates or other incentives for rural Medicaid providers.

- **Reforms should be North Carolina-focused and North Carolina-based.**

It is essential to keep scarce health care dollars in North Carolina to provide the care our patients need through provider-led organizations. North Carolina should not pay for additional administrative overhead to multiple out-of-state managed care companies.

Thank you for addressing these important issues for our state. As pediatricians, we recognize the complexity of your work and appreciate your efforts to craft reforms that work for children, their families and their health care providers.

Sincerely,



Deborah L. Ainsworth. MD  
President